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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 000895

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SUBJECT: NEW SADR CITY DAC CHAIR PLANS TO END CORRUPTION

Classified By: POLITICAL COUNSELOR ROBERT S. FORD FOR
REASONS 1.4 (B) AND (D).

¶1. (C) Summary: On March 9, the Sadr City District Advisory Council (DAC) voted 22-17 to replace Hassan Shama as the DAC chair with Jawad Khadum. Khadum told PolOff on March 13 that he wants to make the DAC a robust body that serves the needs of the people of Sadr City. To accomplish this, he plans to set up three more committees in the Sadr City DAC to help improve the way the DAC serves the people of Sadr City. These committees would address complaints from local residents about essential services and corruption. He also wants to set up a committee to foster connections to foreign embassies and international aid donors. Khadum got the job in part because the DAC, which has an anti-Sadrism current, thinks he can stand up better to the Sadrist and can ensure the DAC takes credit for its accomplishments instead of passively watching the Sadrist claim credit for local improvements. Hassan Shama, for his part, told PolOff on March 15 that he plans to run again for the position of DAC chair. End Summary

Khadum's Three Committees for Success

¶2. (C) In a March 13 conversation with PolOff, newly-elected Sadr City DAC chair Jawad Khadum laid out his plans to set up three committees to better serve the people of Sadr City. Khadum wants the DAC to better coordinate all essential services in Sadr City, and so plans to set up a committee to deal with problems with essential services. This committee would investigate complaints about essential services, such as water and sewerage, and report these problems to the DAC.

¶3. (C) Khadum sees corruption as a major hindrance to reconstructing Sadr City. He therefore plans to set up an anti-corruption committee in the DAC. This committee would investigate claims of corruption, primarily within the DAC itself but with an eye toward expanding its scope to include all of Sadr City, and report the findings to the DAC. Any corruption uncovered would be publicly announced.

¶4. (C) Khadum recognizes that the Sadr City DAC cannot fix all of Sadr City's problems by itself, so he wants to internationalize the effort. To this end, he plans to set up a foreign relations committee. This committee would coordinate Sadr City reconstruction with embassies, foreign NGOs, and ministries in the Iraqi government. By reaching out and encouraging foreign direct investment in Sadr City, he hopes to quicken the pace of reconstruction in Sadr City. (Comment: the legal and security climate in Sadr City suggests attracting foreign investment into that district directly will be exceptionally challenging. End Comment.)

Hassan Shama, Once and Future King?

15. (C) In a March 15 conversation with PolOff, former Sadr City DAC chair Hassan Shama said he plans to take a one-month vacation to Egypt with some of his DAC allies. While in Egypt, they intend to plot a strategy for Shama to win the next DAC chair election, due in two months. "Jawad Khadum is doomed to failure," Shama predicted. "The DAC needs a chair who can properly balance all the political parties in Sadr City," he said. Shama predicted that Khadum will not be able to strike the necessary balance because he is a member of SCIRI (Note: Jawad Khadum denies this. End Note.) Shama, however, said that he will not run for Sadr City DAC chair until a national government is formed.

Comment

16. (C) Hassan Shama's popularity in the DAC has been steadily decreasing for the past few months, due in large part to the perception that he is corrupt and unable to stand up to the Sadrists. Jawad Khadum apparently has learned from his predecessor's mistakes. While Khadum does not plan to needlessly antagonize the Sadrists, he does plan to assert the DAC's independence from their interference. His proposed committees, if robust, could help address problems facing Sadr City. If Khadum can fight corruption, bring in new project assistance, and better publicize the DAC's reconstruction efforts instead of letting the Sadrists take credit for them, as has

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happened in the past, he could prove a successful DAC chair.

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